

SECRET

OSA-0998-67

3 March 1967

25X1A      MEMORANDUM OF NEGOTIATION

25X1A      SUBJECT: [REDACTED]

Contract Nos. [REDACTED]

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25X1A      1. Letter from the Contractor dated 31 August 1966 requested the above three contracts be handled as one for cost purposes because of similarity of the units being produced and this request was OK'd by our auditors, 20 September 1966. Since that time, the Contractor estimated a \$250,000 overrun which is included in his proposal dated 12 December 1966. The proposed overrun has been audited, and on 17 February [REDACTED] Contract Administrator for [REDACTED] met with me here at Headquarters. We negotiated an overrun figure in the amount of \$213,578. This was \$36,442 less than his original proposal.

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25X1A      2. Monies for FY-66 were made available under [REDACTED] 2013/67; and for the DRAGONLADY (Contract No. [REDACTED], monies in the amount of \$48,696 were made available by TWX [REDACTED] 7215. The overruns were originally proposed in the following manner:  
[REDACTED] \$172,000, negotiated \$146,942; Contract [REDACTED]  
\$21,000, negotiated \$17,940; Contract [REDACTED] \$57,000,  
negotiated \$48,696.

25X1A      3. All contracts were extended through 31 May 1967.

SIGNED

[REDACTED]

CMD/OSA

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